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SUBJECT: VENEZUELAN REFERENDUM UPDATE: AUGUST 11

Classified By: Abelardo A. Arias, Political Counselor, for Reason 1.5(d)

Summary

11. (C) The National Electoral Council (CNE) approved the Venezuelan NGO "Electoral Eye" as the only national observation group for the August 15 referendum. Beginning from six different points throughout Caracas and culminating on the highway, opposition supporters will begin a march to conclude the "Si" campaign August 12 in the afternoon. Coordinadora Democratica technicians who participated in the audit of the electronic voting machines August 8 announced their satisfaction with the security of the voting machines and the data transmission lines provided by CANTV August 11. Miranda State Governor Enrique Mendoza complained that the CNE planned to use numbered manual voting ballots, and thus would violate secrecy, to Organization of American States (OAS) representative Valter Pecly Moreira. Pablo Castro, Executive Secretary of the Confederation of Workers of Venezuela (CTV) and CTV representative in the Coordinadora Democratica, told Poloff August 10 that anti-Chavez unions plan to form "brigades" of workers nationwide to counter harassment of election centers by Chavez supporters on referendum day. End Summary.

## National Observers

12. (U) The National Electoral Council (CNE) approved the Venezuelan NGO Ojo Electoral (Electoral Eye) as the only national observation group for the August 15 referendum. According to Eleazar Diaz Range, one of the directors of the Electoral Eye and editor of the daily newspaper Ultimas Noticias, the organization was formed at the suggestion of the National Democratic Institute (NDI) and is considered to be an unbiased electoral organization. The group has accepted technical assistance but not funding from NDI to maintain its credibility. The Electoral Eye board is considered by both the GOV and opposition to be bipartisan because of its pro-Chavez and anti-Chavez membership. Collaborating with other NGO's like Faith and Joy, the Electoral Eye will deploy around 500 national observers throughout Venezuela. In addition to verifying the validity of the referendum process, the Electoral Eye is also the only organization sanctioned by the CNE to perform a quick count on August 15.

Opposition Campaign Finale

13. (U) Beginning from six different points throughout Caracas and culminating on the capital's central highway, opposition supporters will march to conclude the campaign to recall President Hugo Chavez August 12 in the afternoon. The opposition organizers promised surprises, political speeches, concerts, and fireworks. Carlos Valero of the Coordinadora said several municipal police forces would provide security for the marchers. He claimed the opposition expects a peaceful march with around one million supporters attending. Valero said, "We will not march on Miraflores because we will be there on August 16."

Opposition Gives Voting Machines the "All Clear"

14. (U) Coordinadora Democratica technicians who participated in the audit of the electronic voting machines August 8 announced their satisfaction with the security of the Smartmatic machines and the data transmission lines provided by CANTV August 11. CNE representatives announced their satisfaction with the machines August 9.

## Opposition Denunciations

15. (U) Miranda State Governor Enrique Mendoza complained that the CNE planned to use numbered manual voting ballots, and thus would violate secrecy, to Organization of American States (OAS) representative Valter Pecly Moreira. Men said the manual ballots violate the secrecy of the vote because there are numbers imprinted on the ballots that can be used to track a voter's choice. Upon departing the meeting with Mendoza, Pecly said the OAS would communicate the opposition's concerns to the CNE. CNE President Francisco Carrasquero denied there were any identifying marks on the manual ballots charging opposition members of becoming accustomed to making false statements.

Insiders' Views

- 16. (C) At an August 11 breakfast, Carmelo Lauria, former chief of staff for Carlos Andres Perez, President of Congress, and banker, told Emboffs August 11 he was concerned about the possibility of the opposition being robbed of a referendum victory by fraud, and that together with SUMATE, he had been gaming out potential scenarios. Lauria suggested that Chavez is convinced he has the majority on his side, and that his "manipulators" (notably Vice President Jose Vicente Rangel) have commissioned multiple polls distorted to show him to be ahead, and create the atmosphere for Chavez to consider an adverse result to be fraudulent. Jesus Alberto Lauria, Carmelo's brother and President of one of Venezuela's largest insurance companies, was more upbeat, suggesting that the opposition's victory would be large enough that Chavez would not be able to challenge it without resorting to fraud on a scale too great to be convincing.
- (C) Movement Toward Socialism (MAS) President Felipe Mujica told Poloff August 11 he was confident of a 60-40 win for the opposition, dismissing polls to the contrary as efforts at campaign spin. Mujica discounted the possibility of violence during the voting, saying that the massive numbers of people in line will dissuade partisans from harassing voters. He suggested the Coordinadora Democratica (CD) would try to establish contact with the GOV to ensure a peaceful election day, and that that mechanism could be used to fix a date for the presidential elections if the opposition wins on August 15. Assuming a decisive win for the opposition, Mujica doubted President Chavez would ignore the results and try to stay in office.

## Union Strikes Back

- ${\color{red} 18.}$  (C) Pablo Castro, Executive Secretary of the Confederation of Workers of Venezuela (CTV) and CTV representative in the Coordinadora Democratica, told Poloff August 10 that anti-Chavez unions plan to form "brigades" of workers nationwide to counter harassment of election centers by Chavez supporters on referendum day. Castro said the groups would be armed mostly with sticks and stones -- even frozen oranges. The groups, he said, will respond to reports of harassment with a superior number of opposition brigades.
  Asked whether the opposition would be armed, Castro said they would not have "weapons of war.
- (C) Castro also confirmed that CTV President Carlos Ortega is in Venezuela as reported by the press. Castro said Ortega's arrival was a surprise to CTV leadership, including to Secretary General Manuel Cova. Castro said the CTV had agreed to support Ortega's return through a carefully managed media event in which Ortega would present himself to the Attorney General's office to face charges of conspiracy and treason related to the December 2002 national strike.

said Ortega himself had backed away from the deal and since then talks between the CTV and Ortega have been minimal. (Comment: Coordinadora Democratica leaders and we agree that Ortega's return hurts the opposition. His presence in Venezuela is a gift to President Chavez). Shapiro

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